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The Director of Central Intelligence

Washington, D.C. 20505

NIC 4846-83
1 July 1983

National Intelligence Council

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

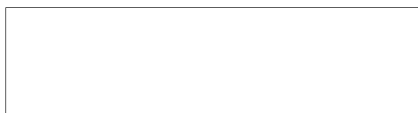
FROM: John R. Horton
National Intelligence Officer for Latin America

SUBJECT: Latin America Warning Report for June 1983

El Salvador

1. There is growing evidence to suggest that a major upsurge in urban political violence is likely, perpetrated by both the far right and the extreme left as they gear up for the Presidential election now tentatively set for November. Such violence is not likely to be decisive or crippling to the electoral campaign, although ARENA would have difficulty replacing D'Aubuisson if he is selected as their candidate. Despite some serious obstacles, analysts believe that elections could still be held by the end of this year, although they anticipate the turnout will be lower than in March 1982. Leftist participation in the Presidential election is considered highly unlikely, although the left may be willing to participate in legislative assembly elections at a later date.

2. The level of military activity has been high throughout the country in recent weeks, mostly reflecting increased government operations. Analysts lack, however, a good sense of current guerrilla strategies. Recent government sweeps may have disrupted guerrilla plans putting them somewhat on the defensive or the guerrillas may be in the final stages of preparing a major counteroffensive that would target some larger cities; expand operations into new regions; or counter recent government success in clearing the insurgents out of San Vicente by launching a new offensive in neighboring Usulután Department.

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Key Collection Gaps

- Information confirming or expanding on a recent report that Guatemalan army units were deployed as a blocking force along the Salvadoran border, and what this portends for greater military cooperation in the region.
- The text of the proposed constitution, and reporting on which issues are contentious and how it is likely to emerge in final form.
- More information on tactical guerrilla plans, and evidence of any significant changes in strategy or objectives.

Nicaragua

3. Following unsuccessful efforts by FDN forces last month to seize and hold territory in the Jalapa area, the anti-Sandinistas were pushed back to border areas. They now appear to be regrouping and probably will begin a new drive to move their operations further inside the country. This is likely to prove difficult, however, as more Nicaraguan artillery and armor are moved into the border area. In the south, Eden Pastora's recent calls to halt operations are seen mostly as a reflection of his mecurical character as well as a plea to obtain more assistance for his forces. An effort to resume military operations, however, will be hindered by their lack of guns and supplies as well as by the approaching rainy season.

4. Meanwhile, the regime is becoming increasingly repressive. The Directorate is using the decision to declare three US diplomats persona non grata as an excuse to move against the Conservative Party and other political opponents of the regime. It has recently cracked down on the labor unions and expropriated some large land holdings. Much of the land probably will be redistributed shortly as part of a new land reform campaign presumably designed to gain greater support for the regime in rural areas where the anti-Sandinista movement has shown some strength.

New Collection Gaps Noted

- The continuing need to watch for any signs of MIG aircraft deployments to Cuba or Nicaragua was highlighted.
- Also the need to confirm the recent arrival of large numbers of Cuban military and security personnel. Is the augmentation continuing? What functions are they performing?
- Is the Soviet and East European presence in Nicaragua growing? What are they doing?

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Suriname

5. Cuban interests in Suriname appear to have suffered a setback last month with the resignation of Mobilization Minister Sital -- a staunch proponent of the Cuban line. Most analysts believe that Bouterse removed him less for ideological reasons than out of fear that Sital's far leftist faction might move to usurp his power. There also are indications that Bouterse may view leftist Prime Minister Alibux as a growing threat as the Prime Minister assumes greater responsibility in his position. Most analysts see no immediate threat to Bouterse's rule; the far left probably lacks the support -- externally and within the military -- to launch a coup, and the rightist exile opposition movement appears to be losing momentum.

Key Collection Gaps Noted

- Evidence that Bouterse is seeking an accommodation with the more moderate, traditional parties;
- Information on the extent of Cuban and Brazilian influence as well as their plans to provide additional economic and military assistance.

Peru

6. Despite the dramatic successes scored by the Sendero Luminoso insurgents in late May -- cutting off electric power to Lima and blowing up the Bayer chemical plant -- many analysts believe insurgent capabilities and strength have been overrated -- particularly in the press. They predict a prolonged and dirty war as the most likely outcome. If the guerrillas succeed, however, soon in carrying out reported plans to kidnap a prominent Peruvian government official, minister, or multinational executive, this would show a much higher degree of sophistication on their part, probably provoking the military into pressing President Belaunde for permission to launch much broader counter-insurgency operations. Belaunde probably would accede, albeit reluctantly, as this was the issue that ultimately led to his downfall in 1968. The government, however, currently enjoys good relations with the military, and a move by military officers to supplant the President is not likely at this time.

No New Collections Gaps were Noted.

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